

## 2005 ASSEMBLY BILL 371

April 27, 2005 – Introduced by Representatives SCHNEIDER, WASSERMAN, JENSEN and ALBERS. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 77.51 (4) (b) 1. and 77.51 (15) (b) 1. of the statutes; **relating**  
2             **to:** the sales tax and the use tax on purchases made with a manufacturer's  
3             rebate.

---

### *Analysis by the Legislative Reference Bureau*

Under current law, the state imposes a sales tax on all retailers at the rate of 5 percent of the gross receipts from the sale of tangible personal property. The retailer generally passes the sales tax on to the consumer. The state also imposes a use tax on all consumers, at the rate of 5 percent of the sales price for the use or storage of tangible personal property in this state that the consumer either purchases from out-of-state retailers or purchases without paying the appropriate sales tax. Under current law, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the tangible personal property rather than on the price as reduced by the manufacturer's rebate.

Under this bill, when a consumer purchases tangible personal property, other than motor vehicles, that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the price of the tangible personal property as reduced by the manufacturer's rebate rather than on the original price.

**ASSEMBLY BILL 371**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 77.51 (4) (b) 1. of the statutes is amended to read:

77.51 **(4)** (b) 1. Cash or term discounts; or amounts paid by the manufacturer of the item sold, not including a motor vehicle, as defined in s. 340.01 (35), that reduce the amount paid by the buyer of the item; allowed and taken on sales.

**SECTION 2.** 77.51 (15) (b) 1. of the statutes is amended to read:

77.51 **(15)** (b) 1. Cash discounts; or amounts paid by the manufacturer of the item sold, not including a motor vehicle, as defined in s. 340.01 (35), that reduce the amount paid by the buyer of the item; allowed and taken on sales.

**SECTION 3. Initial applicability.**

(1) MANUFACTURERS' REBATES. This act first applies to sales on the effective date of this subsection.

**SECTION 4. Effective date.**

(1) MANUFACTURERS' REBATES. This act takes effect on the 7th day beginning after publication.

(END)